

AUDITED PROJECT FINANCIAL STATEMENTS

Loan no. 2000001441, 2000001440

Period covered: 1 January 2018 to 31 December 2018

Rural Business Development Project (RBDP)

Prepared by Bakertilly

Received on 14 June 2019

The Audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those IFAD's Board of Directors, Management or Staff. These documents are made publicly available in accordance with the "IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects (2018)"

Report on the Consolidated Financial
Statements of the

**RURAL COMPETITIVENESS DEVELOPMENT
PROJECT**

of the Ministry of Finance and Treasury of Bosnia and
Herzegovina

Financed by:

- IFAD Loan Agreement No. 2000001440
- IFAD Grant Agreement No. 2000001441

For the year ended 31 December 2018

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

CONTENTS

1	Introduction	2
2	Independent Auditor's Report	5
3	Consolidated Project Financial Statements for the year 2018	8
4	Notes to the Consolidated Project Financial Statements	14

APPENDICES

A.1	Designated account statement - IFAD Loan 2000001440 (FBiH)	15
A.2	Designated account - IFAD Loan No. 2000001440 (RS)	16
A.3	Designated sub-account statement - IFAD Loan 2000001440 (FBiH)	17
A.4	Designated account statement – IFAD Grant 2000001441 (FBiH)	18
A.5	Designated sub-account statement – IFAD Grant 2000001441 (FBiH)	19
A.6	Designated account statement – IFAD Grant No 2000001441 (RS)	20
A.7	Local bank account – Government contribution (FBiH)	21
A.8	Local bank account - Government contribution (RS)	22
A.9	Local bank account – Beneficiary contribution (RS)	23
A.10	Petty cash under IFAD Loan 2000001440 (FBiH)	24
B.1	SoE Withdrawal Schedule of IFAD Loan No. 2000001440 for the year ended 31 December 2018	25
B.2	SoE Withdrawal Schedule of IFAD Grant No. 2000001441 for the year ended 31 December 2018	26
C.1	Reconciliation between IFAD's Historic Transaction Report and IFAD Loan account in EUR according to the to the balance sheet as of 31 December 2018; SoE Withdrawal Schedule of IFAD Loan No. 2000001440	27
C.2	Reconciliation between IFAD's Historic Transaction Report and IFAD Grant account in EUR according to the balance sheet as of 31 December 2018; SoE Withdrawal Schedule of IFAD Grant No. 2000001441	28

RURAL COMPETITIVENESS DEVELOPMENT PROJECT **of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

1. Introduction

1.1 Objectives of the Project

The State of Bosnia and Herzegovina (the "State"), through its Ministry of Finance and Treasury, obtained Loan No. 2000001440 and Grant No. 2000001441 from the International Fund for Agriculture Development (IFAD).

The Federation of Bosnia and Herzegovina ("FB&H") and Republika Srpska ("RS") have agreed to carry out the Rural Business Development Project (the "Project") and agreed subsidiary agreements with the State.

The goal of the Programme will be to contribute to sustainable rural poverty reduction in B&H. The Programme development objective is to enable smallholders to take advantage of fruits, vegetable, non-timber forest products and other potential subsector development for the sustainable improvement of their social and economic conditions and those of other poor rural groups.

Programme area: The Programme will be implemented at national level through value chain clusters. Initially, twelve clusters have been pre-identified thus constituting the project area for its first cycle. Given the focus on supporting the most vulnerable groups (poor farmers, women and youth) the project will foster the inclusion of poor municipalities in the context of larger municipal clusters. Typically, these municipalities will either be close to the areas currently active in the selected value chains or municipalities where important 'poverty pockets' still subsist. Clusters will be identified on the basis of common characteristics in terms of socio-economic and institutional potential.

Target group: The programme will reach out to three target groups: the **very poor**, **poor** and **borderline poor**, by analysing their specific constraints and challenges to access selected sub-sectors and in particular the constraints faced by **women** and **youth**. The targeting strategy and efforts will respond to these challenges with specific enabling measures. The programme will target poor, non-commercial farmers that are not yet (or insufficiently) linked to market while support their insertion in rewarding supply chains in order to become competitive commercial farmers. Direct beneficiaries will be rural poor, both women and men, young and adults, organized in Producers' Associations (PAs) and cooperatives active in selected value chains (VCs).

1.2 Components and activities of the Project

The Programme shall consist of the following components:

Component 1: Enabling Environment for Inclusive Subsector Development

The outcome of Component 1 will be: "The improved policy and institutional environment attracts smallholders and investors to the selected subsectors". Five elements of the subsector development approach of the Programme will be implemented through the component: (i) subsector governance by all concerned private and public stakeholders through consultations and joint strategic planning of interventions; (ii) developing relevant institutions' capacities in the subsectors to ensure adequate supply of specialized services; and (iii) an enabling policy framework in order to tackle the related trade, policy and institutional issues and promote local economic development; (iv) subsector performance monitoring and accountability, and (v) strengthening relevant institutions capacities.

The expected results are the following: (i) stakeholder's platforms at cluster level and subsector level improve value chain coordination and subsector governance, orient public policies and investment in order to warrant long term subsector competitiveness; and (ii) appropriate technical and business development services are made available at local and entity level.

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction (continued)

1.2. Components and activities of the Project (continued)

Component 2: Sustainable inclusion of smallholders in the thriving/successful value chains

The outcome of Component 2 will be: "Sustainable inclusion of poor smallholders and vulnerable groups in selected subsectors. The expected results are the following: (i) inclusive business proposals developed and implemented; and (ii) very poor and poor farmers, woman and youth have successfully integrated into competitive and rewarding value chains.

This Component is intended to: (i) help improve the livelihood of small scale producers and poor collectors through sustainable and profitable farming; (ii) consolidate their organisations and their capabilities to identify forthcoming business opportunities (in terms of markets, marketing channels, new products etc.) to expand their business; and (iii) have a voice and play an active role in the multi-stakeholders coordination platforms, both at cluster level and at subsector level. The Programme will take advantage of existing value chain dynamics in selected value chains in which the private sector (i.e. agro input dealers, collectors, processors, traders, wholesalers, retailers) is actively engaging with smallholders, either organised or individually.

Business Proposals (BPs), allowing business partners (producers and agribusiness) to plan, coordinate and carry out mutually benefiting investments, will be one of the main Programme instruments under Component 2. The BP will be the main instrument of the business partners (small-scale producers and collectors and their organisations, agribusiness companies) to foster the sustainable development of their joint businesses in the selected sub-sectors and value chains. BPs will also frame partners' needs in terms of capacity development and the part of the investments to be addressed by public (project) funds.

Component 3: The Project Management, Monitoring and Evaluation Component would finance all the incremental costs of project management, coordination, monitoring and evaluation by the existing Agriculture Project Coordination Unit.

1.3. Financing of the Project

The Programme is financed from:

- IFAD Loan
- IFAD Grant
- Government contribution and
- Beneficiaries contribution.

1.3.1. IFAD Loan Agreement 2000001440

The State is the borrower of the International Fund for Agricultural Development (IFAD) Loan No. 2000001440, amounting to EUR 11,120,000.

In accordance to terms of subsidiary finance agreement between the State and FBiH and State and RS, funds of the equivalent of EUR 6,440,000 have been lent to FBiH and funds of the equivalent of EUR 4,680,000 have been lent to RS.

1.3.2. IFAD Grant Agreement No. 2000001441

IFAD Grant No. 2000001441 allocations for B&H are EUR 470,000.

In accordance to terms of subsidiary finance agreement between the State and FBiH and State and RS, funds of the equivalent of EUR 270,000 have been granted to FBiH and funds of the equivalent of EUR 200,000 have been granted to RS.

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction (continued)

1.3. Financing of the Project (continued)

Categories of eligible expenditure to be financed by the Loan and the Grant and the allocation of the amounts of the Loan and the Grant to each category and the percentages of expenditures to be financed in each category can be presented as follows:

Category	Loan amount allocated (EUR)	Grant amount allocated (EUR)	% of expenditures to be financed (all net of tax and government contributions)
Goods, services and inputs	8,655,000	-	100%
Consultancies	810,000	470,000	100%
Equipment	70,000	-	100%
Operating costs	1,025,000	-	100%
Unallocated	560,000	-	-
Total – Part A of the Project in FBiH and RS	11,120,000	470,000	

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Independent Auditor's Report

To the State of Bosnia and Herzegovina,
Ministry of Finance and Treasury
Attn. of Minister of Finance and Treasury H.E. Mr. Vjekoslav Bevanda

Report on the Consolidated Project Financial Statements

Opinion

We have audited the accompanying consolidated project financial statements of the Rural Competitiveness Development Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated accounts, local bank accounts and petty cash statements, Statements of loan and grant withdrawals as of and for the year ended 31 December 2018, and a summary of significant accounting policies and other explanatory notes for the year then ended, financed under IFAD Loan No. 2000001440 and IFAD Grant No. 2000001441.

In our opinion, the accompanying consolidated project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2018, and of the funds received and disbursed during the year then ended, in accordance with the cash basis of accounting based on International Public Sector Accounting Standard ("IPSAS"), as described in Note 4.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the International Fund for Agricultural Development Guidelines for Project Audits ("IFAD Guidelines"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Project Financial Statements

The management of programme coordination unit in FBiH and management of project coordination unit in RS are responsible for the preparation of separate project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., the International Fund for Agricultural Development Guidelines for Project Audits, and for such internal control as management determines is necessary to enable the preparation of separate project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process. These consolidated financial statements are sum of separate project financial statements.

Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated project financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other requirements

In addition, with respect to the SoE withdrawal schedule, adequate supporting documentation has been maintained to support claims for reimbursements of expenditures occurred and such expenditure were eligible under IFAD Loan No. 2000001440 and IFAD Grant No. 2000001441.

In addition, in our opinion, the accompanying designated account statements present fairly, in all material aspects, the funds received and disbursements made from the designated accounts of the Project for the year ended 31 December 2018, in accordance with the basis of accounting described in Note 4.1.

Signed on behalf of Baker Tilly Re Opinion d.o.o. Sarajevo


Nihad Fejzić, Director and Certified Auditor

Sarajevo, 24 May 2019




Ema Sinanović, Certified Auditor

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

3. Consolidated project financial statements for the year 2018

3.1. Summary of Sources and Uses of Funds under IFAD Loan No. 2000001440, IFAD Grant No. 2000001441, Government contribution and Beneficiaries contribution

	Ref.	Actual 2018	Cumulative 2018	Cumulative 2017	Cumulative budget	Cumulative variance
FINANCING						
IFAD Loan 2000001440	3.1.1	330,000	1,230,000	900,000	11,120,000	9,890,000
IFAD Grant 2000001441	3.1.2	300,000	300,000	-	470,000	170,000
Government contribution	3.1.3	172,714	172,714	-	3,422,467	3,249,753
Beneficiaries contribution	3.1.4	13,427	13,427	-	6,452,778	6,439,351
TOTAL FINANCING	3.2	816,141	1,716,141	900,000	21,465,245	19,749,104
PROJECT EXPENDITURE						
By Category						
Goods, services and inputs		22,378	22,378	-	17,801,486	17,779,108
Consultancies		98,339	98,339	-	1,620,238	1,521,899
Equipment		-	-	-	97,242	97,242
Operating costs		65,868	65,868	-	1,386,279	1,320,411
Unallocated		-	-	-	560,000	560,000
TOTAL EXPENDITURE	3.2	186,585	186,585	-	21,465,245	21,278,660
PROJECT EXPENDITURE						
By Component						
Enabling environment for inclusive subsector development		65,099	65,099	-	1,194,566	1,129,467
Sustainable inclusion of smallholds in the thriving/successful value chains		55,620	55,620	-	18,346,420	18,290,801
Project coordination, monitoring and evaluation		65,866	65,866	-	1,364,258	1,298,392
Unallocated		-	-	-	560,000	560,000
TOTAL EXPENDITURE	3.2	186,585	186,585	-	21,465,245	21,278,660

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina
Consolidated project financial statements for the year ended 31 December 2018
(all amounts in EUR, unless otherwise stated)

3. Consolidated project financial statements for the year 2018 (continued)

3.1.1 Summary of Sources and Uses of Funds under the IFAD Loan No. 2000001440

	Ref.	Actual 2018	Cumulative 2018	Cumulative 2017	Cumulative budget	Cumulative variance
FINANCING						
IFAD Loan 2000001440					11,120,000	
Initial deposit		330,000	1,230,000	900,000		
Direct payments		-	-	-		
SoE replenishments		-	-	-		
TOTAL FINANCING	3.2	330,000	1,230,000	900,000	11,120,000	9,890,000
PROJECT EXPENDITURE						
By Category						
Goods, services and inputs		8,951	8,951	-	3,620,000	3,611,049
Consultancies		79,016	79,016	-	4,409,783	4,330,767
Equipment		-	-	-	-	-
Operating costs		63,531	63,531	-	2,530,217	2,466,686
Unallocated		-	-	-	560,000	560,000
TOTAL EXPENDITURE	3.2	151,498	151,498	-	11,120,000	10,968,502

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

3. Consolidated project financial statements for the year 2018 (continued)

3.1.2 Summary of sources and uses of fund under IFAD Grant 2000001441

	Ref.	Actual 2018	Cumulative 2018	Cumulative 2017	Cumulative budget	Cumulative variance
FINANCING						
<i>IFAD Grant 2000001441</i>					470,000	
Initial deposit		300,000	300,000	-		
Direct payment		-	-	-		
SoE replenishments		-	-	-		
TOTAL FINANCING	3.2	300,000	300,000	-	470,000	170,000
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, services and inputs		-	-	-	-	-
Consultancies		10,421	10,421	-	470,000	459,579
Equipment		-	-	-	-	-
Operating costs		4	4	-	-	(4)
TOTAL EXPENDITURE	3.2	10,425	10,425	-	470,000	459,575

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina
Consolidated project financial statements for the year ended 31 December 2018
(all amounts in EUR, unless otherwise stated)

3. Consolidated project financial statements for the year 2018 (continued)

3.1.3 Summary of sources and uses of fund under Government contribution

	Ref.	Actual 2018	Cumulative 2018	Cumulative 2017	Cumulative budget	Cumulative variance
FINANCING						
<i>Government contribution</i>						
Government contribution FBiH		121,585	121,585	-	2,484,858	2,363,273
Government contribution RS		51,129	51,129	-	937,609	886,480
TOTAL FINANCING	3.2	172,714	172,714	-	3,422,467	3,249,753
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, services and inputs		-	-	-	734,231	734,231
Consultancies		8,902	8,902	-	2,305,580	2,296,677
Equipment		-	-	-	-	-
Operating costs		2,332	2,332	-	382,657	380,324
TOTAL EXPENDITURE	3.2	11,234	11,234	-	3,422,467	3,411,232

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

3. Consolidated project financial statements for the year 2018 (continued)

3.1.4 Summary of sources and uses of fund under Beneficiaries contribution

	Ref.	Actual 2018	Cumulative 2018	Cumulative 2017	Cumulative budget	Cumulative variance
FINANCING						
Beneficiaries contribution - RS		13,427	13,427	-	6,452,778	6,439,351
TOTAL FINANCING	3.2	13,427	13,427	-	6,452,778	6,439,351
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, services and inputs		13,427	13,427	-	6,452,778	6,439,351
Consultancies		-	-	-	-	-
Operating costs		-	-	-	-	-
TOTAL EXPENDITURE	3.2	13,427	13,427	-	6,452,778	6,439,351

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

3. Consolidated project financial statements for the year 2018 (continued)

3.2 Balance sheet as of 31 December 2018 showing accumulated funds of the Project and bank balances concerning IFAD Funding, Government contribution and Beneficiaries contribution

	Ref.	31 December 2018	31 December 2017
ASSETS			
Project expenditure IFAD Loan 2000001440	3.1.1	151,498	-
Project expenditure IFAD Grant 2000001441	3.1.2	10,425	-
Project expenditure under Government contribution	3.1.3	11,234	-
Project expenditure under Beneficiaries contribution	3.1.4	13,427	-
		186,585	-
Designated account - IFAD Loan 2000001440 (FBiH)	A.1	805,465	900,000
Designated account - IFAD Loan 2000001440 (RS)	A.2	272,822	-
Designated sub-account - IFAD Loan 2000001440 (FBiH)	A.3	-	-
Designated account - IFAD Grant 2000001441 (FBiH)	A.4	140,033	-
Designated sub-account - IFAD Grant 2000001441 (FBiH)	A.5	-	-
Local bank account - IFAD Grant No 2000001441 (RS)	A.6	149,542	-
Local bank account - Government contribution (FBiH)	A.7	111,760	-
Local bank account - Government contribution (RS)	A.8	42,614	-
Local bank account - Beneficiary contribution (RS)	A.9	-	-
Petty Cash under IFAD Loan 2000001440 (FBiH)	A.10	221	-
		1,522,456	900,000
VAT receivables		7,100	-
Total assets		1,716,141	900,000
LIABILITIES			
IFAD Loan 2000001440	3.1.1	1,230,000	900,000
IFAD Grant 2000001441	3.1.2	300,000	-
Government contribution	3.1.3	172,714	-
Beneficiaries contribution	3.1.4	13,427	-
Total liabilities		1,716,141	900,000

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

4. Notes to the consolidated project financial statements

4.1 Basis of preparation and accounting records

These consolidated project financial statements have been prepared on the cash basis of accounting based on International Public Sector Accounting Standards issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the accounting policies below, which have been consistently followed in all material respects.

4.2 Accounting policies

The Project's fiscal year is 1 January to 31 December for the recording of all transactions.

Cash basis of accounting

All receipts and expenses under IFAD Loan 2000001440 and IFAD Grant 2000001441 are recorded on actual receipt and payment basis of accounting as per approved categories.

Project expenditure is stated at original cost on the Balance sheet.

Direct payments

Direct payments concern the amounts paid directly from the IFAD Loan 2000001440 and IFAD Grant 2000001441 account.

Statement of Expenditure (SoE)

Statements of Expenditure are used to state the expenditure under IFAD Loan 2000001440 and IFAD Grant 2000001441 during a certain period. These statements are sent to the IFAD disbursement specialist who authorizes the payment of the expenditure through the Designated account.

Currency conversions

The reporting currency is Euro (EUR). Sources and use of funds (payments to suppliers and contractors) in currencies other than EUR have been converted to EUR using the currency rate at the moment of the transaction.

Bank balances, recorded on the Balance sheet at year-end, have been converted at year-end rate.

Designated account

This is the total amount of the withdrawals from the IFAD Loan account and IFAD Grant account for the Project. IFAD Loan account is in EUR.

Local bank accounts

This concerns bank accounts at local banks (other than Designated account) in EUR and BAM translated at the exchange rate at the date of the balance sheet.

Other income

Other income includes interest earned on cash funds at the bank accounts.

Interest on Designated accounts

Interest earned on the Designated accounts belongs to the Borrower.

Interest on local bank accounts

Interest earned on the local bank account used for the payments from IFAD Loan funds and IFAD Grant funds belongs to the Borrower; interest earned on the local bank accounts used for the payments from Government contribution is treated as additional source of financing of the Project.

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018
(all amounts in EUR, unless otherwise stated)

APPENDIX A.1

DESIGNATED ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.:

Depository Bank:

Address:

Related Credit: IFAD Loan No. 2000001440

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2018	3.2	900,000
Add:		
IFAD replenishments	B.1	-
		900,000
Deduct:		
Transfer to designated sub-account	A.3	94,535
		94,535
Ending balance 31 December 2018	3.2	805,465

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.2

DESIGNATED ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.:

Depository Bank:

Address:

Related Credit: IFAD Loan No. 2000001440

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2018	3.2	-
Add:		
IFAD replenishments	B.1	330,000
		330,000
Deduct:		
Payments to suppliers - Expenditure under IFAD Loan		57,178
		57,178
Ending balance 31 December 2018	3.2	272,822

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.3

DESIGNATED SUB-ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.:

Depository Bank:

Address:

Related Credit: IFAD Loan No. 2000001440

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2018	3.2	-	-
Add:			
Transfer from Designated account	A.1	184,894	94,535
		<u>184,894</u>	<u>94,535</u>
Deduct:			
Expenses paid during the period		178,894	91,467
Transfer to petty cash	A.10	6,000	3,068
		<u>184,894</u>	<u>94,535</u>
Ending balance 31 December 2018	3.2	-	-

**RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.4

DESIGNATED ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.:

Depository Bank:

Address:

Related Credit: IFAD Grant No. 2000001441

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2018	3.2	-
Add:		
IFAD Grant replenished	B.2	150,000
		<u>150,000</u>
Deduct:		
Transfer to Designated sub-account	A.5	9,967
		<u>9,967</u>
Ending balance 31 December 2018	3.2	140,033

**RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.5

DESIGNATED SUB-ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.:

Depository Bank:

Address:

Related Credit: IFAD Grant No. 2000001441

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2018	3.2	-	-
Add:			
Transfers from Designated account	A.4	19,494	9,967
		<u>19,494</u>	<u>9,967</u>
Deduct:			
Expenditures paid during the period		19,494	9,967
		<u>19,494</u>	<u>9,967</u>
Ending balance 31 December 2018	3.2	-	-

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018
(all amounts in EUR, unless otherwise stated)

APPENDIX A.6

DESIGNATED ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.:

Depository Bank:

Address:

Related Credit: IFAD Grant No. 2000001441

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2018	3.2	-
Add:		
IFAD Grant replenishments	B.2	150,000
		150,000
Deduct:		
Payments to suppliers - Expenditure under IFAD Grant		458
		458
Ending balance 31 December 2018	3.2	149,542

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.7

LOCAL BANK ACCOUNT STATEMENT

Account owned by: Ministry of Agriculture, Water Management and Forestry of FBiH

Account No.:

Depository Bank:

Address:

Related Credit: Government contribution - FB&H

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2018	3.2	-	-
Add:			
Government replenishments		237,640	121,503
Interest		160	82
		<u>237,800</u>	<u>121,585</u>
Deduct:			
Expenditures paid during the period		19,217	9,825
		<u>19,217</u>	<u>9,825</u>
Ending balance 31 December 2018	3.2	218,583	111,760

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina
 Consolidated project financial statements for the year ended 31 December 2018
(all amounts in EUR, unless otherwise stated)

APPENDIX A.8

LOCAL BANK ACCOUNT STATEMENT

Account owned by: Ministry of Agriculture, Forestry and Water Management of RS

Account No.:

Depository Bank:

Address:

Related Credit: Government contribution - RS

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2018	3.2	-	-
Add:			
Government Contribution		100,000	51,129
		100,000	51,129
Deduct:			
Payments to suppliers - Expenditure under Government		2,769	1,415
VAT		13,886	7,100
		16,655	8,515
Ending balance 31 December 2018	3.2	83,345	42,614

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.9

LOCAL BANK ACCOUNT STATEMENT

Account owned by: Ministry of Agriculture, Forestry and Water Management of RS

Account No.:

Depository Bank:

Address:

Related Credit: Beneficiary contribution - RS

Currency: BAM

	Ref.	EUR	BAM
Opening balance 1 January 2018	3.2	-	-
Add:			
Municipality Contribution		13,427	26,261
		13,427	26,261
Deduct:			
Payments to suppliers - Expenditure under Beneficiaries		13,427	26,261
		13,427	26,261
Ending balance 31 December 2018	3.2	-	-

**RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX A.10

PETTY CASH

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Related Credit: IFAD Loan No. 2000001440

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2018	3.2	-	-
Add:			
Transfer from Designated sub-account	A.3	6,000	3,068
		<u>6,000</u>	<u>3,068</u>
Deduct:			
Expenditure paid during the period		5,568	2,847
		<u>5,568</u>	<u>2,847</u>
Ending balance 31 December 2018	3.2	432	221

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

APPENDIX B.1 SoE Withdrawal Schedule of IFAD Loan No. 2000001440 for the year ended 31 December 2018

	Initial deposit	Goods, services and inputs	Consultancies	Equipment	Operating costs	Total application	Total disbursed
Previous years							
FBiH	900,000	-	-	-	-	-	900,000
RS	-	-	-	-	-	-	-
Total previous years	900,000	-	-	-	-	-	900,000
Total direct payments	-	-	-	-	-	-	-
Application 1 (RS)	330,000	-	-	-	-	-	330,000
Total initial deposit	330,000	-	-	-	-	-	330,000
Application 1* (FBiH)	-	-	62,693	-	31,621	94,314	-
Application 2 (RS)	-	8,951	16,323	-	31,910	57,184	-
Total SoE application 2018	-	8,951	79,016	-	63,531	151,498	-
Cumulative 2018	330,000	8,951	79,016	-	63,531	151,498	330,000
Cumulative as of 31 December 2018	1,230,000	8,951	79,016	-	63,531	151,498	1,230,000

*This amount refers to expenses made in 2018 that will be submitted for replenishment in upcoming periods.

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina
Consolidated project financial statements for the year ended 31 December 2018
(all amounts in EUR, unless otherwise stated)

APPENDIX B.2 SoE Withdrawal Schedule of IFAD Grant No. 2000001441 for the year ended 31 December 2018

	Initial deposit	Goods, services and inputs	Consultancies	Equipment	Operating costs	Total application	Total disbursed
Previous years	-	-	-	-	-	-	-
Initial deposit (FBiH)	150,000	-	-	-	-	-	150,000
Application 1 (RS)	150,000	-	-	-	-	-	150,000
Total initial deposit 2018	300,000	-	-	-	-	-	300,000
Total direct payments 2018	-	-	-	-	-	-	-
Application 1* (FBiH)	-	-	9,967	-	-	9,967	-
Application 2 (RS)	-	-	454	-	4	458	-
Total SoE application 2018	-	-	10,421	-	4	10,425	-
Cumulative 2018	300,000	-	10,421	-	4	10,425	300,000
Cumulative as of 31 December 2018	300,000	-	10,421	-	4	10,425	300,000

*This amount refers to expenses made in 2018 that will be submitted for replenishment in upcoming periods.

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

**APPENDIX C.1 Reconciliation between IFAD's Historic Transaction Report and
IFAD Loan account in EUR according to the to the balance sheet as of
31 December 2018; SoE Withdrawal Schedule of IFAD Loan No.
2000001440**

	Changes in IFAD Loan (in EUR)
Original amount	11,120,000
Withdrawal 1 (FBiH)	900,000
Total disbursed in 2017	900,000
Withdrawal 1 (RS)	330,000
Total disbursed in 2018	1,230,000
Cumulative disbursements	1,230,000
Calculated undisbursed balance as of 31 December 2018	9,890,000
Undisbursed balance as per IFAD's Historic Transaction Report	9,890,000
Exchange rate gain	-

RURAL COMPETITIVENESS DEVELOPMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Consolidated project financial statements for the year ended 31 December 2018

(all amounts in EUR, unless otherwise stated)

**APPENDIX C.2 Reconciliation between IFAD's Historic Transaction Report and
IFAD Grant account in EUR according to the to the balance sheet as of
31 December 2018; SoE Withdrawal Schedule of IFAD Grant No.
2000001441**

	Changes in IFAD Grant (in EUR)
Original amount	470,000
Withdrawal 1 (FBiH)	150,000
Withdrawal 1 (RS)	150,000
Total disbursed in 2018	300,000
Cumulative disbursements	300,000
Calculated undisbursed balance as of 31 December 2018	170,000
Undisbursed balance as per IFAD's Historic Transaction Report	170,000
Potential exchange rate gain	-